
DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate; renewal by those Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
September 8, 2009.

The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (1/2 percent) by the Federal Reserve Bank of Richmond on August 26, 2009, by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Kansas City, Dallas, and San Francisco on August 27, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis on September 3. The Board also approved renewal by those Banks, on the dates indicated above, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on September 3 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, September 4, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and transmission from Ms. Beattie to the Federal Reserve Bank of New York, September 8, 2009.

DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate.

Existing rate maintained.
September 21, 2009.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco had voted on September 10, 2009, and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City had voted on September 17 to reestablish the existing rate for discounts and advances (1/2 percent) under the primary credit program (primary credit rate).

Federal Reserve Bank directors cited signs of an increase in economic activity and commented that prospects for growth during the second half of this year had improved. Some directors also noted that home prices appeared to be stabilizing. Nevertheless, directors generally regarded overall economic conditions as weak and financial markets, particularly the banking sector, as still strained. Household spending remained damped, constrained in part by job losses and consumer caution. However, some directors noted that businesses' inventories were now better aligned with sales. Inflation was generally seen as subdued and likely to remain so for some time because of considerable resource slack and modest inflation expectations. In these circumstances, directors agreed that the current accommodative stance of monetary policy remained appropriate.

Today, Board members considered the primary credit rate and discussed, on a preliminary basis, their individual assessments of the appropriate rate and its communication, which would be discussed at the meeting of the Federal Open Market Committee this week. No sentiment was expressed for changing the primary credit rate before the Committee's meeting, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, September 18, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, September 21, 2009.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates; renewal by those Banks of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
September 21, 2009.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on September 10, 2009, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on September 17 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on September 17 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and
Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, September 18, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and
transmission from Ms. Beattie to the Federal Reserve Bank of
New York, September 21, 2009.